



## Chase Down Payment Assistance Program

### **Detroit Works Demonstration Neighborhoods Down Payment Assistance Program**

- 20% down payment assistance grant not to exceed \$15,000 for City of Detroit employees moving into **designated areas** in the following Detroit Works neighborhoods; North End/Boston Edison and Southwest/Hubbard Farms; also East English Village & North Rosedale. For qualified recipients the down payment assistance grant can be up to 20% of the purchase price of the home and no greater than \$15,000.
- Down payment assistance **applies only to vacant homes** located in the specified areas within the neighborhoods above.
- Potential home buyers must meet income limits of no more than 120-150% of area median income, depending on home selected (for a single person, approximately \$77,000-\$96,000).
- Potential recipients will be referred to a neighborhood CDC to complete homebuyer counseling and to determine qualification for a mortgage based on: credit score, debt load, income, etc.
- Mortgages must have a fixed rate and term and be with a reputable lender.
- Enterprise Detroit will provide the down payment assistance at the time of mortgage closing. The recipient agrees to remain in the purchased home for 5 years.
- This is a recoverable grant, but it will be forgiven if the recipient stays in the home for 5 years. The grant is forgiven at the rate of 20% a year. For example: If the recipient sells the home after one year, the recipient will pay back 80% of the grant. If the recipient sells the home after the third year, they will pay back 40% of the grant, etc.
- **Recipient will likely have income tax implications. Recipients should consult an accountant before accepting the grant.**
- Interested City of Detroit employees can call Detroit Development Fund's Vanessa Holsey at (313) 784-9623 for additional information about the program.
- If requests for down payment assistance are overwhelming; a fair method (likely a lottery-type drawing) will be used to determine which qualified city employees will receive assistance.

Detroit Development Fund will administer the down payment assistance program.